

110TH CONGRESS  
1ST SESSION

# H. R. 3410

To amend the Internal Revenue Code of 1986 to exclude overtime pay from gross income.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 2007

Mr. JEFFERSON introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude overtime pay from gross income.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Hardest Working  
5       Americans Tax Relief Act of 2007”.

6       **SEC. 2. EXCLUSION OF OVERTIME PAY FROM GROSS IN-**  
7       **COME.**

8       (a) IN GENERAL.—Part III of subchapter B of chap-  
9       ter 1 of the Internal Revenue Code of 1986 (relating to

1 items specifically excluded from gross income) is amended  
 2 by inserting after section 139A the following new section:

3 **“SEC. 139B. OVERTIME PAY.**

4       “(a) IN GENERAL.—In the case of an individual,  
 5 gross income shall not include any qualified overtime pay-  
 6 ment.

7       “(b) PHASEOUT.—The amount excluded from income  
 8 by subsection (a) shall be reduced (but not below zero)  
 9 by the amount which bears the same ratio to adjusted  
 10 gross income (determined without regard to subsection  
 11 (a)) as—

12               “(1) the excess of—

13                       “(A) adjusted gross income (as so deter-  
 14 mined), over

15                       “(B) the applicable poverty line, bears to

16               “(2) the applicable poverty line.

17       “(c) DEFINITIONS.—For purposes of this section—

18               “(1) QUALIFIED OVERTIME PAYMENT.—The  
 19 term ‘qualified overtime payment’ means overtime  
 20 compensation paid pursuant to section 7(a)(1) of the  
 21 Fair Labor Standards Act of 1938 (29 U.S.C.  
 22 207(a)(1)) for employment in excess of the hours  
 23 specified in such section.

24               “(2) APPLICABLE POVERTY LINE.—The term  
 25 ‘applicable poverty line’ means with respect to a tax-

1       able year, the poverty line, as determined in accord-  
2       ance with criteria established by the Director of the  
3       Office of Management and Budget, for the calendar  
4       year with which or in which such taxable year be-  
5       gins, taking into account the filing status of the tax-  
6       payer and number of dependents for which an ex-  
7       emption is allowable under section 151.”.

8       (b) CLERICAL AMENDMENT.—The table of sections  
9       for part III of subchapter B of chapter 1 of such Code  
10      is amended by inserting after the item relating to section  
11      139A the following new item:

      “Sec. 139B. Overtime pay.”.

12      (c) EFFECTIVE DATE.—The amendments made by  
13      this section shall apply to taxable years beginning after  
14      December 31, 2007.

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